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STATEMENT OF FINANCIAL POSITION

AS OF: June 30, 2005

ASSETS

	15	
	Current Assets	
101	Cash (Disclose on Schedule A)	\$58,607,281
	Current Investments	\$0
	Accounts Receivable (net) (Disclose on Schedule A)	\$3,894,684
	Notes Receivable (current portion)	\$0
	Prepaid Expenses	\$1,088,835
	Other Current Assets (Disclose on Schedule A)	\$2,121,786
107	Total Current Assets	\$65,712,586
	Non Current Assets	
108	Land	\$0
	Building	\$0
110	Leasehold Improvements	\$938,961
111	Furniture and Equipment	\$13,042,263
	Vehicles	\$0
113	Total Property and Equipment	\$13,981,224
	Less: Accumulated Depreciation	\$7,395,622
	Net Property and Equipment	\$6,585,602
	Notes Receivable (net of current portion)	\$0
	Performance Bond (Disclose on Schedule A)	\$0 \$0
	Long Term Investments	\$0
	Deposits	\$501,411
	Other Noncurrent Assets (Disclose on Schedule A)	\$0
121	Total Noncurrent Assets	\$7,087,013
400	TOTAL 400FT0	
122	TOTAL ASSETS	\$72,799,599
.IABII	LITIES AND NET ASSETS/EQUITY	
201 202 203 204 205	LITIES AND NET ASSETS/EQUITY CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable	\$8,072,808 \$712,152 \$339,112 \$7,267,557 \$3,175,648
201 202 203 204 205 206	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits	\$712,152 \$339,112 \$7,267,557
201 202 203 204 205 206 207	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion)	\$712,152 \$339,112 \$7,267,557 \$3,175,648 \$6,121,011 \$0
201 202 203 204 205 206 207 208	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A)	\$712,152 \$339,112 \$7,267,557 \$3,175,648 \$6,121,011
201 202 203 204 205 206 207 208 209	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable	\$712,152 \$339,112 \$7,267,557 \$3,175,648 \$6,121,011 \$0
201 202 203 204 205 206 207 208 209	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A)	\$712,152 \$339,112 \$7,267,557 \$3,175,648 \$6,121,011 \$0 \$0
201 202 203 204 205 206 207 208 209 210	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable	\$712,152 \$339,112 \$7,267,557 \$3,175,648 \$6,121,011 \$0 \$0 \$0
201 202 203 204 205 206 207 208 209 210 211	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A)	\$712,152 \$339,112 \$7,267,557 \$3,175,648 \$6,121,011 \$0 \$0 \$0 \$0 \$8,057,286
201 202 203 204 205 206 207 208 209 210 211 212 213 214 215	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NONCURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities (Disclose on Schedule A)	\$712,152 \$339,112 \$7,267,557 \$3,175,648 \$6,121,011 \$0 \$0 \$0 \$8,057,286 \$33,745,574
201 202 203 204 205 206 207 208 209 210 211 212 213 214 215	CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NONCURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Total Noncurrent Liabilities TOTAL LIABILITIES NET ASSETS/EQUITY	\$712,152 \$339,112 \$7,267,557 \$3,175,648 \$6,121,011 \$0 \$0 \$0 \$8,057,286 \$33,745,574 \$0 \$0 \$224,227 \$224,227

STATEMENT OF FINANCIAL POSITION

AS OF: June 30, 2005

Schedule A Disclosures

Schedule A I	Disclosures					
ASSETS:				LIABILITIES:		
Cash				IBNR Claims Estimate		
				Current Year		
	Unrestricted		\$58,607,281	FY 05		8,014,187
	Restricted		\$0	Prior Year(s)		
				FY04		58,621
				FY03		
Total Cash		-	\$58,607,281	Total IBNR		\$8,072,808
Accounts Receiv	<u>able</u>					
ADHS	Program ID	Category ID		Payable to ADHS (Detail of Line Program ID	ne 203) Category ID	
Current Year	<u> </u>	outogoty is		Current Year	outogoty in	
	TXIX Child		-	Admin & Mgmt Ge	n Sanctions	339,112
	TXIX CMDP TXIX SMI			Prior Year		
	HIFA II SMI		-	HIFA II SMI	Profit/Risk Corridor	\$0
	TXIX GMHSA		-	Admin & Mgmt Ge		\$0
	HIFA II GMH		-	3		• •
	TXIX DD Child		-	Total Payable to ADHS		\$339,112
	TXIX DD Adult		-			
	TXXI Child		-	Deferred Revenue from: (Det		
	TXXI Adult NTXIX/XXI Child		- 131,194	Program ID ADHS	Category ID	
	NTXIX/XXI SMI		2,460,846	Current Year		
	Mental Health		82,234	TXIX Child		\$0
	Substance Abuse		189,952	TXXI Child		\$0
	Prevention Intervention		(196)	HIFA II SMI		\$0
	ADHS DOC		-	HIFA II GMH		\$0
	PASRR		13,800	ADHS DOC		
	HB2003 Child		-	Drian Wasa		
	HB2003 SMI NTXIX/XXI SMI	Community Placement	-	Prior Year HB2003 Child		\$0
	Select Program	Identify category	_	HB2003 SMI		\$0 \$0
Prior Year	Colour rogium	identify category		Select Program	Identify Category	Ψ*
	TXIX Child		-	Non-ADHS &/or Unrelated		
	TXIX CMDP			Current Year		
	TXIX SMI		-	Identify Program	Identify Category	
	HIFA II SMI		=	Identify Program	Identify Category	
	TXIX GMHSA HIFA II GMH		-	Prior Year Identify Program	Identify Category	
	TXIX DD Child		-	identity Flogram	identity Category	
	TXIX DD Adult		-			
	TXXI Child		-			
	TXXI Adult		-			
	NTXIX/XXI Child		-	Total Deferred Revenue		\$0
	NTXIX/XXI SMI		-			
	Mental Health		-	Other Current Liabilities (Deta		
	Substance Abuse Prevention Intervention		-	Identify Other Curr Accrued audit fees		80,264
	ADHS DOC		-	Casa Buena Payal		00,204
	PASRR		_	Deferred Lease Lia		515,617
	HB2003 Child		-	Due to affiliates	,	3,571,055
	HB2003 SMI		-	Income tax payable	e to parent	(512,831)
	Select Program	Identify category		Insurance		-
				Malpractice Reserv		4,374,609
Non-ADHS &/o Current Year	r Unrelated Business			Sanctions and pen Miscellaneous	alties payable	- 28,571
	RxInnovations		439,234			
	Casa Buena		53,716	Total Other Current Liabilities	;	\$8,057,286
	Non-HB2003 provider r		168,589			
	Rehabilitative Services		-	Loss Contingencies (Detail of		
	Accrued interest receive		138,422	Identify Loss Conti	ngencies	
VO: Stmt Fin	Case management rece Pos_Sch A	civable	16,282 Page 1 of 2			9/1/2005 [4:52 PM]

	HB2003 provider receivables	-	Total Loss Contingencies	\$0
	Medicare receivable	161,035		
	Lab Receivables	13,113	Other Noncurrent Liabilities (Detail of Line 214)	
	Employee receivables	26,463	Identify Other Noncurrent Liabilities	
			Deferred tax - noncurrent	224,227
Prior Year				
	RxInnovations	-	Total Other Noncurrent Liabilities	\$224,227
	Casa Buena	-		
	Non-HB2003 provider receivables	-		
	Rehabilitative Services Administration	-	Restricted Net Assets (Detail of Line 217)	
	Accrued interest receivable	-	Identify Restricted Net Assets	
	Case management receivable	-		
	Medicare receivable	-	Total Restricted Net Assets	\$0
	Lab Receivables	-		
	Employee receivables	-		
Allowance for	or Doubtful Accounts			
Total Accounts	Receivable	3,894,684		
Other Current A	Assets (Detail of Line 106)			
	Deferred tax asset	2,121,786		
Total Other Cur	rrent Assets	\$2,121,786		
Other Noncurre	ent Assets (Detail of Line 120)			
	Identify Other Non Current Assets			
Total Other No.	ncurrent Assets			
Total Other Not	ilicultetit Assets			
PERFORMANC	E DOND.			
FERFURINANU	E BUND.			

\$45,167,606

Adjustments:

Type of Security & Amount -

Disclose and describe any adjustments made to previously submitted

financial statements, including those that affect the current period financial statements.

Payables to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Explain ≥10% fluctuation in account from prior quarter

Describe fluctuation in each account greater than 10% from prior quarter.

101. Cash - Increased 25.2% due to payments from ADHS for A/R and cash contributions by parent

Surety Bond

- 103. Accounts receivable, net Decreased 62.5% due to ADHS payments
- 105. Prepaid expenses Decreased 41.0% due to normal recognition of expense
- 110. Leasehold improvements Increased 15.0% due to remodeling the centrally located physician's recovery center and other site improvements
- 111. Furniture and equipment Increased 20.6% due to remodeling the centrally located physician's recovery center and other site improvements
- 202. Reported but unpaid claims Increased due to normal claims processing timing
- 203. Payable to ADHS Decreased 15.8% due to recoupments
- 204. Other amounts payable to providers Increased 18.5% due to normal block payment activities
- 205. Trade accounts payable Increased 11.2% due to normal payables activities
- 208. Deferred revenue Decreased 100.0% due to transferring deferred revenue balances to ADHS payables
- 210. Other current liabilities Increased 216.6% due to intercompany balances payment timing

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STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF: June 30, 2005

*	Beginning Balance: Net Surplus / Net Earning for	July 1, 2004 the period ended:	June 30, 2005
	Dividends Declared		
**	Prior Period Adjustments		
	Ending Balance:	June 30, 2005	

^{*} Net of dividends declared

Initial Capital	Additional Capital	Net Assets / Retained Earnings	Total
10,000,000	13,909,952	10,581,755	34,491,707
-	-	8,738,089	8,738,089
	-	(6,400,000)	(6,400,000)
-	2,000,000	-	2,000,000
\$ 10,000,000	\$ 15,909,952	\$ 12,919,844	\$ 38,829,796

^{**} Disclosure of Prior Period Adjustments
Parent put \$2,000,000 into capital in June 2005

June 30, 2005

*DISCLOSE ON SCHEDULE A

*DISCLOSE ON SCHEDULE A															MENTAL	SUBSTANCE	PREVENTION					PROGRAM ADMIN &	
	TXIX CHILD	TXIX CMDP	TXIX DD CHILD N	TXIX/XXI CHILD	TXXI CHILD H	IB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	HEALTH		INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	MGMT/GEN	TOTAL
REVENUES																							
401 Revenue Under ADHS Contract a ADHS Revenue	68,220,102	33.691.821	5,098,790	7,405,945	4,275,682	1,774,840	178,348,855	3,476,298	79,686,137	1,952,941	176,208	468,849	70,479,147	681,573	2,202,505	24,864,948	6,104,465	85,750	1,837,677	0	490,832,533	0	490,832,533
b ADHS Revenue - Qualifying Incentive Payments 402 Specialty & Other Grants*		0.,00.,000	0	.,,	.,,	.,,		0,,		.,,		0		0		- 1,000 1,0 10	2,101,100	0	.,,	-	0		0
402 Specialty & Other Grants 403 Client Fees (Co-pays)	0	0	0	0	0	0	2,366	0	2,691	0	0	0	26	0	110	42	0	0	0	0	5,235	0	5,235
404 Third Party Recoveries a Medicare	0	0	0	0	0	0	337.189	0	245,515	0	0	0	2,261	0	9,221	714	0	0	0	0	594.900	0	594,900
b Other Insurance	0	0	0	0	o	0	24,165	0	24,366	0	ō	0	0	0	1,507	201	0	0	o	0	50,240	0	50,240
405 Interest Income 406 Other Funding Sources - Non ADHS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,751	0 60,751	1,285,320 0	1,285,320 60,751
407 Unrelated Business Activities* 408 TOTAL REVENUE	68,220,102	33,691,821	5,098,790	7,405,945	0 4,275,682	1,774,840	178,712,576	3,476,298	79,958,710	1,952,941	0 176,208	0 468,849	70,481,434	0 681,573	2,213,343	24,865,905	0 6,104,465	85,750	1,837,677	60,751	491,543,659	1,285,320	492,828,979
EXPENSES																							
ervice Expenses: 501 Treatment Services																							
a Counseling																							
1 Counseling, Individual 2 Counseling, Family	10,667,310 6,474,647	3,240,188 1,630,912	418,342 296,517	1,011,120 500,899	812,854 495,198	0	6,192,467 207,588	81,999 1,160	1,973,483 103,247	93,944 2,631	39,314 6,295	0	7,629,663 299,335	85,252 5,933	100,119 5,968	1,780,652 8,296	0	0	0	0	34,126,707 10,038,626	0	34,126,707 10,038,626
Counseling, Group Consultation, Assessment & Specialized Testing	459,712 4,128,275	100,117 567,210	6,474 177,559	75,910 182,954	40,954 312,352	0	845,053 1,570,110	10,667 41,888	302,095 844,476	9,635 12,358	7,026 27,664	0	3,258,637 4,790,896	13,067 55,008	35,785 269,613	1,254,798 958,987	0	0	0	0	6,419,929 13,939,351	0	6,419,929 13,939,351
c Other Professional	41,373	242	0	924,766	2,413	0	29	997	1,385,016	571	0	0	0	1,661	70,447	2,054,859	0	0	0	0	4,482,374	0	4,482,374
d Total Treatment Services 502 Rehabilitation Services	21,771,317	5,538,668	898,892	2,695,649	1,663,771	0	8,815,246	136,710	4,608,318	119,139	80,299	0	15,978,530	160,922	481,933	6,057,593	0	0	0	0	69,006,987	0	69,006,987
a Living Skills Training	1,699,011	583,392	175,234	71,671	51,236	0	5,557,272	162,920	1,744,421	55,935	3,398	0	437,038	4,706	3,868	8,283	0	0	0	0	10,558,384	0	10,558,384
b Cognitive Rehabilitation c Health Promotion	9,630	0 3,790	0 19,231	0 87	0 703	0	0 278,963	0 6,552	0 85,163	0 5,600	0	0	75,631	0 64	0 616	0 3,631	0	0	0	0	0 489,660	0	0 489,660
d Supported Employment Services e Total Rehabilitation Services	7,472 1,716,112	10,687 597,869	376 194,842	511 72,269	0 51,939	0	3,925,823 9,762,058	342,638 512,109	1,514,340 3,343,924	235,383 296,918	845 4,243	0	593,318 1,105,988	6,272 11,042	463 4,946	35,375 47,288	0	0	0	0	6,673,503 17,721,547	0	6,673,503 17,721,547
603 Medical Services	1,716,112	397,009	194,042	72,209	51,939	U	9,762,036	512,109	3,343,924	290,910	4,243	U	1,105,966	11,042	4,940	47,200	Ü	U	Ü	0	17,721,547	U	17,721,347
a Medication Services b Medical Management	1,225 2,966,220	0 416.005	0 313.775	0 202.434	0 223,960	0	877,475 6.703.248	26,413 209.955	246,119 3,231,566	7,412 78.092	4,160 24,138	0	2,754,747 3,243,569	5,181 63.793	7,650 55,606	1,393,793 174,802	0	0	0	0	5,324,174 17,907,163	0	5,324,174 17,907,163
c Laboratory, Radiology & Medical Imagin	67,176	416,005 9,474	313,775 6,567	5,105	4,172	0	624,195	21,060	364,057	78,092 8,409	24,138 1,339	0	216,480	1,994	3,861	32,436	0	0	0	0	1,366,322	0	1,366,322
d Electro-Convulsive Therapy e Total Medical Services	14,679 3,049,299	425,479	0 320,341	207,539	228,132	0	122,128 8,327,046	0 257,428	172,116 4,013,858	93,913	29,637	0	6,023 6,220,819	70,968	0 67,117	1,601,221	0	0	0	0	315,138 24,912,797	0	315,138 24,912,797
504 Support Services	.,,		,.	,,,,,	-, -				,- ,		.,		-, -,-	-,		, ,					, , , ,		,, ,
a Case Management b Personal Assistance	194,012 765,742	0 431.919	5,887 346.860	26,651 65,958	2,565 31,301	0	53,527,920 7,951,242	731,226 306,169	24,902,070 1.899.379	517,935 17,295	14,398 56	0	5,518,857 548,985	85,318 43	1,685,054	483,285 162,457	0	0	0	0	87,695,177 12,527,406	0	87,695,177 12,527,406
c Family Support	2,248,088	666,927	187,505	132,538	100,046	0	29,119	2,329	14,303	13	0	ő	12,990	68	129	633	ő	0	ŏ	0	3,394,688	ő	3,394,688
d Peer Support e Therapeutic Foster Care Services	251,881 1,341,471	148,420 6,074,801	12,995 0	30,822 8,149	8,090 0	0	780,794 246,580	18,069 0	271,202 42,697	11,247 0	64 0	0	144,350 13,088	1,351 0	1,755 0	36,738 0	0	0	0	0	1,717,778 7,726,785	0	1,717,778 7,726,785
f Respite Care g Housing Support	2,736,930	526,785	61,158	95,585 0	67,320	0	1,990	0	0 2.653.437	0 14,079	0	0	2,648	0 1.897	0 13.203	557.364	0	0	0	0	3,492,415 3,239,980	0	3,492,415 3,239,980
h Interpreter Services	0	0	0	111,055	0	0	0	0	41,821	14,079	0	0	0	1,209	19,918	9,668	0	0	0	0	183,671	0	183,671
I Flex Fund Services i Transportation	0 916,754	0 218,093	0 14,439	582,788 60,985	0 44,639	0	0 3,152,024	0 99,462	1,324,215 1,090,192	0 17,436	0 1,593	0	0 1,619,712	0 6,050	17,336 47,761	168,191 200,790	0	0	0	0	2,092,530 7,489,931	0	2,092,530 7,489,931
k Block Purchase NTXIX Consumer Drop In Cente	0	0 000 045	0	0	0	0	872,908	0	358,464	0 579 004	0	0	0	0 05.027	0	92,490	0	0	0	0	1,323,862	0	1,323,862
Total Support Services Crisis Intervention Services	8,454,878	8,066,945	628,845	1,114,531	253,961	U	66,562,578	1,157,255	32,597,780	578,004	16,110	U	7,860,629	95,937	1,785,155	1,711,615	0	U	0	U	130,884,223	U	130,884,223
a Crisis Intervention - Mobile	1,553,342	1,259,230	220,341	804,202	61,723	0	2,625,458	252,705	862,526	56,395	11,194	0	2,250,255	18,293	545,280	306,927	0	0	0	0	10,827,872	0	10,827,872
b Crisis Services c Crisis Phones	226,971 9,447	34,767 0	16,921 291	35,485 1,349	14,281 115	0	1,479,282 2,719,689	35,489 34,983	481,849 1,305,533	10,717 0	6,979 637	0	2,498,583 259,545	11,241 0	290,145 81,213	1,252,147 28,026	0	0	0	0	6,394,858 4,440,830	0	6,394,858 4,440,830
d Total Crisis Intervention Services	1,789,760	1,293,997	237,553	841,036	76,119	0	6,824,429	323,177	2,649,908	67,113	18,811	0	5,008,384	29,534	916,638	1,587,100	0	0	0	0	21,663,560	0	21,663,560
06 Inpatient Services a Hospital																							
Psychiatric (Provider Types 02 & 71 Detoxification (Provider Types 02 & 71	2,546,116	587,410	105,474 0	59,840 0	201,691	0	15,046,859 68,488	271,395	7,795,037 34,622	113,802 0	14,137 0	0	3,642,368 126,397	7,332 0	334,071 0	63,954 7,833	0	0	0	0	30,789,488 237,339	0	30,789,488 237,339
b Sub acute Facility	Ü	Ü		Ü	Ü	· ·		Ü	34,022	Ü	Ü	Ü		Ü	· ·	7,000	Ů	· ·	Ü	· ·			
Psychiatric (Provider Types B5 & B6 Detoxification (Provider Types B5 & B6)	148,488 2,278	565,016 0	0	0	0	0	5,007 167,424	0	0 41,964	0	0 1,381	0	5,272 1,629,117	0 2,055	0 10,386	0 1,271,949	0	0	0	0	723,783 3,126,554	0	723,783 3,126,554
c Residential Treatment Center (RTC) Psychiatric - Secure & Non-Secure Provider Types																							
1 78,B1,B2,B3)	6,088,323	5,045,314	0	279,324	126,682	0	1,364,279	9,017	755,091	1,281	0	0	283,949	2,001	41,257	15,343	0	0	0	0	14,011,861	0	14,011,861
Detoxification - Secure & Non-Secure (Provider Type: 2 (78,B1,B2,B3)	405	2,724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,129	0	3,129
d Inpatient Services, Professional e Total Inpatient Services	391,079 9,176,689	83,263 6,283,728	14,755 120,230	24,817 363,981	25,579 353,952	0	570,319 17,222,378	9,466 289,878	215,284 8,841,998	1,443 116,527	1,248 16,767	0	443,125 6,130,227	2,864 14,251	81,231 466,945	31,433 1,390,512	0	0	Ó	0	1,895,906 50,788,060	0	1,895,906 50,788,060
6 Total Inpatient Services 507 Residential Services	9,170,089	0,283,728	120,230	303,981	303,952	U	11,222,318	∠89,878	0,041,998	110,02/	10,707	U	0,130,227	14,251	400,945	1,390,512	U	U	U	0	50,788,060	U	30,788,060
a Level II Behavioral Health Residential Facilitie	3,237,091	4,512,091	77,122	138,294	82,476	0	10,229,369	92,998	2,887,280	7,647	1,274	0	5,465,924	3,264	11,882	1,055,546	0	0	0	0	27,802,258	0	27,802,258
b Level III Behavioral Health Residential Facilitie c Room and Board	612,910 0	1,067,351 0	0	8,537 922,289	0	0	2,639,399 0	36,582 0	515,354 1,384,159	0	0	0	90,939	0	0 50,412	0 1,741,725	0	0	0	0	4,971,072 4,098,585	0	4,971,072 4,098,585
d Total Residential Services	3,850,001	5,579,442	77,122	1,069,120	82,476	0	12,868,768	129,581	4,786,793	7,647	1,274	0	5,556,863	3,264	62,294	2,797,271	0	0	0	0	36,871,915	0	36,871,915
508 Behavioral Health Day Program a Supervised Day Program	255,494	33,022	3,015	17.115	17,847	0	1,429,935	15,004	504,259	8,853	38	0	102,625	75	1,074	349	0	0	0	0	2,388,705	0	2,388,705
b Therapeutic Day Program	1,997,339	393,386	9,675	122,611	79,781	0	3,169,775	1,220	959,436	29,198	0	0	3,042,434	23,187	35,781	1,676,138	0	Ō	ō	ō	11,539,962	0	11,539,962
c Medical Day Program d Total Behavioral Health Day Program	9,249 2,262,082	426,408	908 13,597	139,726	99,135	0	4,599,710	16,224	1,463,696	38,051	38	0	3,145,059	23,262	36,855	1,676,487	0	0	0	0	13,940,330	0	11,663 13,940,330
509 Prevention Services																							
a Prevention b HIV	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	936,524	5,431,976 0	0	0	0	5,431,976 936,524	0	5,431,976 936,524
c Total Prevention Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	936,524	5,431,976	0	0	0	6,368,500	0	6,368,500
510 Medication a Medication Expense	8,225,142	1,156,749	1,604,887	97,933	929,610	0	25,111,855	3,305,067	14,231,980	440,849	58,627	0	13,098,626	76,334	165,797	54,979	0	0	0	0	68,558,435	0	68,558,435
 Less Pharmacy Rebate Received 	(719,561)	(21,614)	(48,396)	(10,763)	(49,321)	0	(1,768,953)	(178,079)	(1,064,704)	(52,625)	0	0	(1,038,162)	0,334	(16,018)	(5,268)		0	0	0	(4,973,464)	0	(4,973,464)
c Pharmacy Rebate Related Expense d Total Medication Services	246,708 7,752,290	7,521 1,142,656	16,840 1,573,331	2,779 89,949	17,003 897,293	0	585,298 23,928,200	61,963 3,188,951	331,397 13,498,673	18,311 406,535	0 58,627	0	340,225 12,400,689	76,334	5,068 154,848	1,798 51,509	0	0	0	0	1,634,912 65,219,883	0	1,634,912 65,219,883
Other ADHS Service Expenses Not Rpt'd Above*	0	0	0	0	0	1,966,000	0	0	0	0	0	398,936	0	0	0	0	0	79,319	0	0	2,444,255	0	2,444,255
512 ADHS/DOC COOL 513 Subtotal ADHS Service Expenses	59,822,428	29,355,192	4,064,753	6,593,800	3,706,778	1,966,000	158,910,413	6,011,313	75,804,948	1,723,847	0 225,806	398,936	63,407,188	0 485,514	3,976,731	17,857,120	0 5,431,976	79,319	1,684,584 1,684,584	0	1,684,584 441,506,641	0	1,684,584 441,506,641
520 Service Expenses from Non ADHS Sources*			,,	.,,		,,	,-		-, ,-	, ,,		,	, . ,	,-		, ,	., . ,		,,		0		0
525 Total Service Expense	59,822,428	29,355,192	4,064,753	6,593,800	3,706,778	1,966,000	158,910,413	6,011,313	75,804,948	1,723,847	225,806	398,936	63,407,188	485,514	3,976,731	17,857,120	5,431,976	79,319	1,684,584	0	441,506,641	0	441,506,641

Page 1 of 2

VO STATEMENT OF ACTIVITIES YEAR TO DATE AS OF:

June 30, 2005

*DISCLOSE ON SCHEDULE A

*DISC	LOSE ON SCHEDULE A																						PROGRAM	
		TXIX CHILD	TXIX CMDP	TXIX DD CHILD N	TXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	ADMIN & MGMT/GEN	TOTAL
Admir	nistrative Expenses:																							
601	Salaries	1,438,509	701,047	108,818	156,205	90,313		3,765,828		1,681,076	41,782	3,718	0	1,488,164	14,399	46,465	525,511	128,895	1,809	38,845	0	10,304,937		10,304,937
602	Employee Benefits	424,538	206,896	32,115	46,100	26,653	0	1,111,386	21,707	496,126	12,331	1,097	0	439,193	4,249	13,713	155,091	38,040	534	11,464	0	3,041,234		3,041,234
603	Professional & Outside Services	979,400	477,304	74,088	106,351	61,489	0	2,563,942	50,078	1,144,550	28,447	2,532	0	1,013,208	9,803	31,635	357,791	87,757	1,231	26,447	0	7,016,054		7,016,054
604	Travel	28,552	13,915	2,160	3,100	1,793	0	74,745	1,460	33,367	829	74	0	29,538	286	922	10,431	2,558	36	771	0	204,536		204,536
605	Occupancy	166,969	81,371	12,631	18,131	10,483	0	437,103	8,537	195,124	4,850	432	0	172,732	1,671	5,393	60,997	14,961	210	4,509	0	1,196,103		1,196,103
606	Depreciation	246,558	120,158	18,651	26,773	15,479		645,456	12,607	288,133	7,161	637	1,356	255,069	2,468	7,964	90,072	22,092	310	6,658	0	1,772,736		1,772,736
607	All Other Operating*	1,830,785	892,220	138,492	198,802	114,940	101,358	4,792,755	93,610	2,139,499	53,176	4,732	26,775	1,893,981	18,326	59,136	668,816	164,044	2,302	49,438	0	13,243,185		13,243,185
608	Subtotal ADHS Administrative Expenses	5,115,311	2,492,910	386,955	555,463	321,150	106,490	13,391,216	261,551	5,977,874	148,577	13,222	28,131	5,291,884	51,203	165,228	1,868,709	458,347	6,431	138,133	0	36,778,785	0	36,778,785
650	Non ADHS Administrative Expenses*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	449,861	449,861
651	Unrelated Admin. Expense*																					0		0
652	Subtotal Administrative Expense	5,115,311	2,492,910	386,955	555,463	321,150	106,490	13,391,216	261,551	5,977,874	148,577	13,222	28,131	5,291,884	51,203	165,228	1,868,709	458,347	6,431	138,133	0	36,778,785	449,861	37,228,646
701	Unrelated Business Expenses*																					0		0
790	Income Tax Provisions																							
a	ADHS Income Tax Provision	1,247,298	700,613	245,892	97,539	94,147	(113,106)	2,290,672	(1,062,695)	(802,191)	30,597	(23,872)	15,877	676,383	55,045	(737,209)	1,952,846	81,375	0	5,685	0	4,754,895	0	4,754,895
b	Non ADHS Income Tax Provision	0	0	0	0	0	0	145,488	0	109,029	0	0	0	915	0	4,335	383	0	0	0	23,085	283,236	317,472	600,708
799	Subtotal Income Tax Provision	1,247,298	700,613	245,892	97,539	94,147	(113,106)	2,436,160	(1,062,695)	(693,162)	30,597	(23,872)	15,877	677,298	55,045	(732,874)	1,953,229	81,375	0	5,685	23,085	5,038,131	317,472	5,355,603
800	TOTAL EXPENSES	66,185,037	32,548,715	4,697,600	7,246,802	4,122,075	1,959,384	174,737,789	5,210,169	81,089,660	1,903,021	215,156	442,944	69,376,370	591,762	3,409,085	21,679,058	5,971,698	85,750	1,828,402	23,085	483,323,557	767,333	484,090,890
801	INC/(DEC) IN NET ASSETS/EQUITY	2,035,065	1,143,106	401,190	159,143	153,607	(184,544)	3,974,787	(1,733,871)	(1,130,950)	49,920	(38,948)	25,905	1,105,064	89,811	(1,195,742)	3,186,847	132,767	0	9,275	37,666	8,220,102	517,987	8,738,089
	, ,																							

*Disclose on Schedule A

Schedule A Disclosure																							
	TVIV OUIL D	TVIV 0455 TV	IV DD 01111 D	NTXIX/XXI	TVVI 01111 B 1117		TVIV 0141 TVIV	V DD 40111 T 41	TVIVAVVI 0111	WEA II OM II TO	O/ ABIN T		W. C.				PREVENTION	B40BB	4 DUO DOO	OTUED .		PROGRAM ADMIN/MGMT/	TOT41
DISCLOSURE OF OTHER ADHS REVENUE	TXIX CHILD	TXIX CMDP TX	IX DD CHILD	CHILD	TXXI CHILD HE	32003 CHILD	TXIX SMI TXIX	X DD ADULT N	TXIX/XXI SMI F	IIFA II SMI TX	CXI ADULT H	32003 SMI 1.	KIX GMHSA H	IIFA II GMH	HEALTH	ABUSE IN	ITERVENTION	PASRR	ADHS DOC	OTHER S	\$0 \$0	GEN	**************************************
Total Other - Other Column																				\$0	\$0 \$0		\$0 \$0
DISCLOSURE OF OTHER GRANTS REPORTED ON LINE 402 Itemization of Items Reported on Line 402																					0		0
Total Other Grants =	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCLOSURE OF OTHER REVENUE REPORTED ON LINE 406 Itemization of Items Reported on Line 406 Lab Revenue Miscellaneous Total Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,904 14,847 60,751	45,904 14,847 60,751	0	45,904 14,847 60,751
UNRELATED BUSINESS ACTIVITIES REPORTED ON LINE 407 Itemization of Items Reported on Line 407																					0		0
Total Unrelated Business Activities =	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCLOSURE OF ALL OTHER BEHAVIORAL HEALTH SERVICES ON LINE 511 Itemization of Items Reported on Line 511 HB2003 Children and Adult services PASARR Total All Other Behavioral Health Services	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	1,966,000 0 1,966,000	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	398,936 0 398,936	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 79,319 79,319	0 0 0	0 0 0	2,364,936 79,319 2,444,255	0	2,364,936 79,319 2,444,255
DISCLOSURE OF SERVICES EXPENSES FROM NON ADHS SOURCES ON LINE 520 Itemization of Items Reported on Line 520																					Ō		0
Total Service Expenses Non-ADHS Sources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCLOSURE OF ALL OTHER OPERATING ON LINE 607 Itemization of items Reported on Line 607 Maintenance Contracts Supplies Phone Licenses & Taxes Insurance Training Postage Other Sanctions & penalties expense Net Allocation In	34,046 32,784 45,448 7,502 81,969 53,829 11,993 0 96,696 1,466,518	16,592 15,977 22,149 3,656 39,947 26,233 5,845 0 47,124 714,697	2,575 2,480 3,438 567 6,201 4,072 907 0 7,315 110,937	3,697 3,560 4,935 815 8,901 5,845 1,302 0 10,500 159,247	2,137 2,058 2,853 471 5,146 3,379 753 0 6,071 92,071	1,885 1,815 2,516 415 4,538 2,980 664 0 5,353 81,191	89,127 85,825 118,977 19,639 214,585 140,917 31,336 0 253,137 3,839,152	1,741 1,676 2,324 384 4,191 2,752 613 0 4,944 74,985	39,786 38,313 53,112 8,767 95,791 62,906 14,015 0 113,001 1,713,808	989 952 1,320 218 2,381 1,563 348 0 2,809 42,596	88 85 117 19 212 139 31 0 250 3,791	498 479 665 110 1,199 787 175 0 1,414 21,448	35,221 33,916 47,017 7,761 84,799 55,687 12,407 0 100,034 1,517,140	341 328 455 75 820 539 120 0 968 14,679	1,100 1,059 1,468 242 2,648 1,739 387 0 3,123 47,370	12,437 11,977 16,803 2,741 29,945 19,665 4,381 0 35,325 535,743	3,051 2,938 4,072 672 7,345 4,823 1,075 0 8,664 131,404	43 41 57 9 103 68 15 0 122 1,844	919 885 1,227 203 2,213 1,454 324 0 2,611 39,601	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	246,272 237,150 328,753 54,265 592,935 389,377 86,753 0 699,461 10,608,219		246,272 237,150 328,753 54,265 592,935 389,377 86,753 0 699,461 10,608,219
Total All Other Operating	1,830,785	892,220	138,492	198,802	114,940	101,358	4,792,755	93,610	2,139,499	53,176	4,732	26,775	1,893,981	18,326	59,136	668,816	164,044	2,302	49,438	0	0 13,243,185	0	13,243,185
DISCLOSURE OF NON-ADHS ADMINISTRATIVE EXPENSES ON LINE 650 Itemization of Items Reported on Line 650 Investment income admininstration																					0	449,861	449,861 0
Total Non-ADHS Admin. Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	449,861	449,861
DISCLOSURE OF UNRELATED ADMINISTRATIVE EXPENSES ON LINE 651 Itemization of Items Reported on Line 651																					0		0
Total Unrelated Administrative Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCLOSURE OF UNRELATED BUSINESS EXPENSES LINE 701																							
Itemization of Items Reported on Line 701		_																			0		0
Total Unrelated Business Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

June 30, 2005

																		PROGRAM	
		NTXIX/XXI										SUBSTANCE						ADMIN/MGMT/	
TXIX CHILD	TXIX CMDP TXIX DD CH	LD CHILD	TXXI CHILD HB2003 CHILD	TXIX SMI	TXIX DD ADULT NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	HEALTH	ABUSE	INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	GEN	TOTAL

VO

ADJUSTMENTS
(Disclose and describe any adjustments to previously submitted financial statements including those that affect the current financial statements)

Analysis:
(Compare prior quarter activity to current quarter activity for each column [program] and each row major category of service.)

Support services to children increased significantly in the fourth quarter due to the factors. First, as the twelve month look-back period VO uses rolled forward three months, it captured a more contemporaneous mix of services than the prior quarter. Also, the roll forward ceased to look back at the most complete claims activities which weighted the allocated costs more towards service activities that had rapid submission cycles, ie fee-for-service arrangements. The net result is that the variances created by these structural changes are leveraged in the most recent quarter. Second, the mix of residential services are shifting from RTC and group home services to therapeutic foster care, and as such, shifting from Title XIX Children to Title XIX Children over the past four to six months. Finally, children have been shifting from Non-Title XIX to Title XIX and some these eligibility changes are retroactive.

Treatment services, medical services, and support services increased to adult consumers for some of the same structural reasons listed above. Other major factors driving changes are increased physician encounters due to prescriber increases at the case management sites and providers, increasing single case agreements to purchase out-of-network care for unmet needs, and ongoing provider adjustments needed to maintain required service levels to adult consumers. Additionally, residential services are increasing for adults as more consumers are treated outside of inpatient settings.

Finally, total costs are significantly increased over the prior quarters as evidenced by the net loss for the quarter ended June 30, 2005. Items such as the corrective action plan and the Jason K lawsuit are applying significant pressures to medical expense, causing increases to many categories quarter over quarter.

VO: Stmnt Act Sch A Page 2 of 2 9/1/2005 [4:53 PM]

VO

STATEMENT OF CASH FLOWS YEAR TO DATE FOR PERIOD ENDED:

June 30, 2005

OACH ELONG EDOM ODED ATING ACTIVITIES	
CASH FLOWS FROM OPERATING ACTIVITIES: Changes in Net Assets	8,738,090
Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to	0,730,090
Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	1,794,419
Changes in Operating Assets and Liabilities	.,,
(Increases)/Decreases in Assets:	
Current Investments	-
Receivables	21,157,781
Inventory & Prepaid Expenses	(258,825)
Interest Receivable	(117,265)
Deposits	(157,131)
Other	(1,172,470)
Increases/(Decreases) in Liabilities:	
IBNR	1,366,437
RBUC	(17,054)
Accounts Payable to ADHS	(41,545)
Accounts Payable to Providers	235,156
Interest Payable	4 E22 02E
Trade Accounts Payable Accrued Salaries & Benefits	1,533,025
Other Current Liabilities	1,475,756
Other Current Liabilities	(5,403,754)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	29,132,621
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of Property & Equipment	_
Purchases of Property & Equipment	(6,260,785)
Proceeds from Sales of Investments	(0,200,100)
Purchase of Investments	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(6,260,785)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Acquisition of Debt (Describe on Schedule A)	2,000,000
Payment of Lease Obligations	(0.400.000)
Payment of Other Debts (Describe on Schedule A)	(6,400,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(4,400,000)
NET INCREASE/(DECREASE) IN CASH	18,471,836
BEGINNING CASH	40,135,445
ENDING CASH BALANCE *	58,607,281

*NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET

VO	
STATEMENT OF CASH FLOWS	
YEAR TO DATE FOR PERIOD ENDED:	June 30, 2005
Schedule A Disclosure	

Describe:

1. Sources and amounts of cash received for other grants.

- Underlying transactions for acquisition of debt.
 (Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.)
 Capital infusion from parent company
 2,000,000
- 3. Underlying transactions for retirement of debt. (Debtor, amount paid off.)
- 4. Cash Flows From Financing Activities Payment of Other Debt

 Dividends declared and paid 6,400,000
- 5. Supplemental data or non-cash investing and financing activities, gifts, etc.